



## CONNECTICUT

### TESTIMONY OF NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB) CONCERNING

### HB-5402, AAC THE EXTENSION OF WHISTLE-BLOWER PROTECTIONS TO AN EMPLOYEE WHO REPORTS A SUSPECTED VIOLATION OF LAW TO THE EMPLOYEE'S SUPERVISOR OR MANAGER BEFORE THE JUDICIARY COMMITTEE FEBRUARY 29, 2016

*A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, NFIB/Connecticut offers the following comments:*

NFIB/Connecticut has significant concerns with HB-5402 as currently drafted.

While on its face this legislation may appear to simply expand the reporting ability of employees under the state's existing whistle-blower protection, NFIB is concerned that there could be far greater implications from this legislation. Specifically, NFIB is concerned that the definitions of "supervisor" or "manager" (lines 16-19) are both too broad and too vague, and in the case of a small business, even unworkable. Under the definition in subpart (B) for example, (lines 17-19) this could extend to multiple individuals in a small business, or perhaps even someone with an ownership stake in the business but who may have little if any actual contact with an employee. Additionally, NFIB feels that extending the statute of limitations (lines 40-42) by doubling the amount of time to bring an action is unnecessary, especially since the time can already run following the exhaustion of administrative remedies. Finally, the new damages provisions provided for (lines 48-52) are overly broad and will be difficult to calculate. Frivolous lawsuits create a climate of fear for Connecticut's small businesses. While NFIB certainly does not condone suppressing legitimate whistleblower claims, frivolous lawsuits against small business are a significant concern, and unfortunately this bill as currently drafted could potentially lead to frivolous claims due to its broad and unworkable nature. NFIB members say that being sued is one of the most threatening experiences for small business owners, especially for the smallest of the small, which can be put out of business by one lawsuit.

For any questions or additional information, please contact Andy Markowski, NFIB/Connecticut State Director, at 860-248-NFIB. Thank you for the opportunity to comment and NFIB/Connecticut asks the Committee to take no action on HB-5402 as currently drafted.